

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice PS-430

For: State and County Offices

**FSA e-Government Program Delivery Initiated
With Internet-based e-LDP Process in 21 Selected Counties**

Approved by: Acting Deputy Administrator, Farm Programs

Bradley Karmen

1 Overview

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Background

President George W. Bush has strongly promoted the development of e-Government Internet-based functions to meet the ever changing needs of our current and future business environments. In July 2001, President Bush created an e-Government Task Force with the vision of improving government services by promoting innovation, and by developing new citizen-centered, results-oriented program delivery systems.

FSA, by placing a special emphasis on the "Service" in Farm Service Agency, is committed to developing Internet-based delivery systems that will provide program benefits to farmers.

The first by-product of this commitment is an Internet-based e-LDP process that is now being tested in selected counties.

With e-LDP's, FSA program delivery is entering a new age.

Continued on the next page

Disposal Date

June 1, 2003

Distribution

State Offices; State Offices relay to County Offices

5-10-02

Page 1

1 Overview (Continued)

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Purpose

This notice provides information about:

- e-Government and new strategies for government delivery systems
 - a new Internet-based e-LDP Process
 - ensuring the integrity of the e-LDP Process
 - plans for conducting post e-LDP testing focus group reviews to enhance and expand nationwide the e-LDP Process.
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2 Promoting e-Government and New Strategies for Program Delivery

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Internet Age

In our increasingly interconnected society, where the Internet has spawned tremendous improvements in efficiency and customer service, the emphasis on development of e-Government processing capabilities by Federal government agencies is moving to center stage.

On February 27, 2002, the Bush Administration released its:

- “e-Government Strategy”, that:
 - is available at **www.whitehouse.gov/omb/inforeg/egovstrategy**
 - lists several important e-Government Task Force findings, such as:
 - the Federal government can significantly improve customer service over the next 18 to 24 months through e-Government initiatives
 - hundreds of opportunities exist that are well suited for e-Government development, but to achieve those ends agency managers may need to make significant changes to traditional bureaucratic approaches (business rules) for doing business.
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USDA First

FSA has adopted a strategy of thinking outside the box in its approach to developing e-Government functions. This strategy is consistent with the goals and Federal government’s action plan for e-Government, which are to:

- make it easier for customers to obtain service and interact with government
- improve government efficiency, effectiveness, and responsiveness
- revise outdated business rules to meet current program needs.

PSD’s **e-LDP Process** is the first by-product of this new strategy and is USDA’s **first** Internet-based payment process.

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2 Promoting e-Government and New Strategies for Program Delivery (Continued)

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Process in Brief

The e-LDP Process:

- allows eligible producers who have been pre-approved by their Administrative County Office to submit applications from any PC to a central web farm e-LDP processing site and receive electronic payment directly to their bank
 - shall operate **in addition to** the other existing LDP delivery systems that are available to producers through:
 - County Offices
 - approved Cooperative Marketing Associations
 - authorized Loan Servicing Agents
 - is a 24/7 process that uses the applicable daily LDP rate for the commodity until the next day's rate is announced.
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Business Rules

To facilitate the e-LDP Process, FSA has significantly revised the business rule about approval. Administrative County Offices can now pre-approve eligible producers to receive e-LDP on allocated quantities of production, after an acreage report has been filed relative to that production.

Note: An applicant's electronic application cannot be submitted to the Web Farm Processing Site until the County Committee has verified that harvest has begun in the applicable county.

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Business Logic

PSD based its e-LDP Process on the same business logic used by present day, generally accepted credit practices that provide qualified applicants electronic access to substantial pre-approved lines of credit in the form of cash or credit through nationwide networks of automated transaction machines.

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2 Promoting e-Government and New Strategies for Program Delivery (Continued)

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Beta Testing

The e-LDP Process:

- shall be Beta tested for:
 - crop year 2001 in 21 selected counties for the entire month of May 2002
 - crop year 2002 in additional selected counties for several months, beginning in late summer 2002

Notes: A Beta test is a controlled and closely monitored test of software for an innovative process in real time, in a real world environment.

See paragraph 5 for additional information about the scope of e-LDP's in the initial Beta test mode.

- shall be implemented nationwide **only** after adequate testing is completed
 - shall be enhanced over time to:
 - cover other LDP-eligible commodities
 - provide an expanded range of e-LDP related processing functions such as the accounting conditions detailed in subparagraph 5 A.
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Why Centralized

The e-LDP Process, by being a centrally-based process, can:

- serve as a functional model for other long-range developments
 - spur development of a centralized, real time, interactive database for all future:
 - producer e-Government actions
 - County Office operations.
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3 Program Factors and Farm Computer Use Prompted e-LDP Development

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Program Factors

These factors, when taken together, strongly influenced PSD's decision to develop an e-LDP process:

- LDP's have become the primary source of price support benefits as shown by this volume of transactions processed by County Offices:
 - crop year 1997 LDP transactions totaled 2,106
 - crop year 1998 LDP transactions totaled 2,156,446
 - crop year 1999 LDP transactions totaled 2,803,574
 - crop year 2000 LDP transactions totaled 2,949,607
 - crop year 2001 LDP transactions totaled 2,142,100
 - LDP's are continued by the 2002 Farm Bill and will apply to several additional commodities and fibers
 - because they are relatively simple, (Quantity times Rate = Payment), LDP's are well suited for Internet-based processing, given revised business rules.
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PC's on the Farm

Many progressive farmers now use PC's in their farming operations and have access to the Internet.

In July 2001, the National Agricultural Statistics Service released these statistics about the use of PC's by farms with sales of \$100,000 and more:

- 73 percent have access to a computer
 - 69 percent own or lease a computer
 - 55 percent are using a computer for their farm business
 - 58 percent have Internet access.
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Notice PS-430

4 Emphasis Placed on Ensuring e-LDP Process Integrity

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Process Integrity

To ensure process integrity, the e-LDP Process functions according to these incremental steps:

- establishment of producer profiles
 - APSS price support payment limitation (PLM) allocation
 - secure access to the processing site
 - system-validation of application entries
 - submitted application review and certification for payment
 - data transmissions to the applicable Administrative County Office.
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Producer Profile

A comprehensive web farm-based e-LDP producer profile must:

- be established by the applicant's Administrative County Office one time for each:
 - applicant
 - crop year
- contain specific data about these conditions:
 - producer and commodity eligibility data
 - applicable e-LDP payment limitation amount
 - both reasonable and allocated quantities for each e-LDP commodity
- be updated, as applicable, by the applicant's Administrative County Office if any initial producer profile entry changes.

Note: This process must be conducted in person in the applicable County FSA Office.

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APSS/PLM Allocation

After a producer profile is completed according to subparagraph B, the Administrative County Office must set an applicable APSS/PLM allocation on the AS/400.

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4 Emphasis Placed on Ensuring e-LDP Process Integrity

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Applicant Access Applicant access to the web farm e-LDP processing site is restricted by generally accepted Internet security procedures that are commonly referred to as the “user registration process”.

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Application Validations Application validations occur as each on line entry is made by the applicant by system-checks against corresponding data in the applicant’s producer profile. Applicants cannot proceed beyond the point of a validation failure.

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Review and Certification After an e-LDP application has been submitted to the Web Farm e-LDP Processing Site, it is then passed to accounting certification officers for on-line review and certification before funds are transferred to the applicant’s bank.

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Data Transmissions After the e-LDP is “paid” by electronic funds transfer (EFT) to the applicant’s bank account, the Web Farm Processing Site transmits applicable e-LDP data to the applicant’s Administrative County Office for use in these APSS functions:

- price support “running account” eligibility queries
 - LDP Summary Reports
 - market gain reporting
 - spot-check processing, where a higher percentage is selected than for LDP’s.
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5 Limited Scope of e-LDP's in the Beta Test Mode

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Initial Limitations

The e-LDP process in its present Beta test mode is:

- limited to:
 - producers who are “individuals” (entity code “01”)
 - these eligible commodities, according to their loan availability period:
 - wheat
 - barley
 - oats
 - corn
 - grain sorghum
 - soybeans
- transactions for which eligible producers:
 - **must** be established for EFT
 - do **not** have any of the following accounting conditions:
 - an LDP assignment on file
 - a joint payment authorization on file for LDP
 - any receivables (CCC & APSS receivables)
 - any claims (CCC debts)
 - any other Agency debts or claims
 - any delinquent FSA debts
 - a bankruptcy status
- **not** available for cotton, rice, honey, minor oilseeds, or commodities harvested other than grain.

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5 Limited Scope of e-LDP's in the Beta Test Mode (Continued)

B Process Mechanics

The e-LDP Process:

- functions through a Kansas City Complex-based Web Farm DB2 platform
 - interfaces with SCIMS for name and address purposes
 - will assign an “80,000-series” number and State and County codes to each e-LDP
 - will be made Section 508, handicapped-compliant when fully functional.
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6 Post Beta Test Reviews and Assumptions About the Future

A Post Beta Reviews

After each e-LDP Beta test timeframe is completed, PSD plans to conduct focus group sessions involving e-LDP Process policy personnel, software developers and testers, Beta site personnel, and applicants to:

- review the e-LDP process as tested
 - consider recommendations for changes and enhancements to the e-LDP Process before it is made functional nationwide.
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